Item 5.00 The future of financing for WHO – EB128/21 (draft report for GHW site)

Context of EB consideration

This is a fresh agenda item placed on the agenda by the DG.

Although the document (EB128/21) is titled as 'The future of financing for WHO' the content clearly shows that it is about the future of WHO as multilateral organisation as well as the financial health of WHO.

There were several documents distributed with this agenda item:

- report by DG on the future of financing for WHO
- summary of a consultation conducted on the topic

Also relevant are the:

- Programme Budget 2008-2009: Performance Assessment (EB128/22);
- Implementation of Programme Budget 2010-2011: update (EB128/23) and
- Medium Term Strategic Plan 2008-2013 and Proposed Programme Budget 2012-2013 (EB128/24).

Background and comment

Clearly a very broad agenda is being pursued under this heading; including a review of the 'core business' of WHO, reform of the Secretariat staffing model, developing new relations with funders (perhaps new funders) as well as new practices in fund raising, priority setting and budgeting.

WHO faces a financial crisis. Not enough money and not enough flexibility in the use of the money it does have. However, WHO is gridlocked in a 'Catch 22' situation: not enough money causes not enough flexibility and not enough flexibility causes not enough money. The heavy dependence of WHO on tied donor funds (voluntary contributions from member states plus donations from Foundations and corporations) distorts management and accountability to such a degree that there is no support in Assembly for increasing assessed contributions (untied funding). However the failure to increase assessed contributions locks the Secretariat into continuing dependence on donor funds which are generally tied.

It is apparent that there is strong competition between different clusters, departments and units for funding. It is not uncommon for the donors to field competing approaches from different parts of the organization. This dynamic encourages silo behavior and prevents cooperation. Worse, it means that senior management has only limited authority over (and limited interest in) the work of donor funded units because their funding is secure because tied. There are widespread concerns expressed about incompetence and excessive bureaucracy which are only partly because of distorted management structures. They are also in part reflections of the widespread use of casual staff (partly because of short term funding; partly in order to avoid geographical representation) and other rigidities. The DG has foreshadowed a new model to govern employment relations.

The proportion of the total budget which is funded through assessed contributions is now down to 18% (cf 82% donations). This clearly distorts priority setting. Allocations to the social determinants of health have shrunk (see Objective 7) while expenditures on medicines are growing (although funding to promote the rational use of medicines has almost dried up entirely).

Strategic Objectives	Draft Budget (2012-3)
1. Communicable diseases	$1437.9
2. HIV/AIDS, tuberculosis and malaria	$648.8
3. Chronic non-communicable conditions	$145.9
4. Child, adolescent, maternal, sexual/reproductive health and ageing	$320.5
5. Emergencies and disasters	$418.4
6. Risk factors for health	$154.5
7. Social and economic determinants of health	$61.2
8. Healthier environment	$110.9
9. Nutrition and food safety	$100.2
10. Health systems and services	$454.5
11. Medical products and technologies	$152,1
12. WHO leadership, governance and partnerships	$289.7
13. Enabling and support functions	$509.1
Total	**$4803.60**

Table 1. Strategic objectives and draft budget provision

In her paper the DG talks about 'identifying WHO's core business' (and the six core functions identified in the eleventh General Programme of Work 2006-2015) this a worry because it suggests a departure from the Constitution which lists 22 activities under the title 'functions'. Throughout the EB discussion there were repeated references to WHO restricting itself to 'norm setting', 'technical issues' and 'neutrality' and avoiding political engagement and polemics. The Constitution mandates WHO to take a leadership role with respect to international decision making on health. This should include holding the large donors to account. Virchow taught us that health is political as well as technical. WHO must accept the responsibility of engaging in the politics of health as well as advising on 'technical issues'.

We expressed concern that the 'mainstreaming' of 'cross-cutting issues' will lead to the neglect of such issues, because there would be no internal champions. For example, a strong gender focus would be critical in addressing the huge burden of disease globally which is rooted in gender inequality and patriarchy. The DG responded by saying that those areas which are to be 'mainstreamed' (primary health care, social determinants, human rights, gender, other?) will be driven through the establishment of tight performance indicators to which senior officials including the DG will be held accountable. We are assured that she is working on such indicators.

The paper EB128/21 also announces that "to supplement existing bodies, WHO is introducing a new forum that will bring together Member States, global health funds, development banks, partnerships, nongovernmental organizations, civil society organizations, and the private sector to address issues critical to global health". This was a surprise to most people because of the definitive 'will' and also because there had been no mandate from either of the governing bodies. In her introductory speech the DG made references to many of the current options for reform of global health governance which are circulating: a global fund, a framework convention on global health,

articulation of national and international responsibilities and Committee C. Many NGOs attending the EB were very apprehensive about the proposed forum because of concerns that it might give disproportionate voice to the private sector.

The 'solutions' to the crisis discussed in the EB included:

- Increased assessed contributions (very little member state support);
- Action to remedy the distortions in management and accountability which are associated with tied funds, eg a single point coordination of external funds raising (unlikely to solve the problems arising from tied funds);
- Encouragement for non tied donations (might lead to some reversal of the 80/20 gap);
- Encouragement to only accept tied donations which are tied to member state priorities (tied donations are the problem which ever way);
- Greater transparency and accountability with respect to donor funds, including a clear code of conduct regarding voluntary contributions and donations, so as to prevent conflicts of interest between donor priorities and the member state driven agenda of the WHO (unlikely to make much difference?).

Priority

The future of WHO is at stake. The distortions in priority setting and management and the lack of flexibility in resource allocation reflect the pressure that the Secretariat is working under. WHO must not retreat from its constitution. The bottom billion desperately need a courageous, independent and properly funded WHO.

Advocacy

Messages

1. Member states to increase their assessed contributions and high and middle income countries to increase their untied donations. As Paulo Busse said: 'You have found trillions to bail out the banks; surely you can find enough to support this critical intergovernmental organisation'.
2. WHO management needs to be reformed

Who else is interested?

WHO officials

MOHs, especially in the L&MICs

What slogans might lead the advocacy?

Save our WHO